

**BC HYDRO**  
**BUSINESS[CARE]**  
**VICTORIA**

**Interim Results Report**

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## Executive Summary

This is an interim report intended to provide an overview of the initial findings from the 581 business interviews conducted so far. The interviews have been conducted with businesses that are located within the City of Victoria and have focused on the High Tech, Business Service, Industrial and Retail sectors. The focus has also broadened to include the Tourism and Home Based Business sector.

The information provides a basis for addressing specific issues that businesses are facing. It also provides valuable information when viewed in the context of other business information. The program is not intended to give a comprehensive assessment of the business climate in Victoria.

The BusinessCARE Program is based on the Action Plan contained in the Victoria Economic Development Strategy of 1998. One of the goals was to "*Support entrepreneurial growth and development.*" A priority action in order to accomplish this was the development of a proactive business retention strategy.

The City of Victoria has partnered with BC Hydro, the Downtown Victoria Business Association and Human Resources Development Canada to implement the BusinessCARE Victoria Program. This is a proactive, solution-based business retention and expansion program that is working to solve business issues using a coordinated approach.

Key to the success of the program is the support from the City, business organizations and other levels of government. The external resource team consisting of representatives from Ministry of Social Development and Economic Security, Human Resources Development Canada and local business organizations including; Victoria Real Estate Board, Tourism Victoria, VIATeC, Downtown Victoria Business Association, Chamber of Commerce and Business Victoria. Within City Hall an internal resource team consists of representatives from various departments that deal with business on a regular basis.

The interviews have generated a number of opportunities to assist businesses with direct action. They are generally requests for assistance with an issue that is indirectly affecting their business or an issue that has a direct, major impact on their business (red flags). There are also a number of requests for additional information regarding information available through the City or referral to information that is provided by one of the External Team representatives. To date over 300 businesses and individuals have been responded to.

The next phase of the program will focus on developing the longer term strategies regarding marketing, transportation, telecommunications, employee availability and training, business locations and local government support.

## Key Findings

- The majority of businesses in all the sectors identified that they expected an increase in business and the number of employees to increase over the next year. This was in spite of general concerns regarding the lack lustre provincial economy.
- Many of the businesses experienced difficulty finding employees with adequate levels of training and experience, particularly in the high tech and industrial sectors. Existing employment and training programs do not necessarily address their needs.
- None of the businesses interviewed indicated plans to relocate. Proximity to downtown was important for the majority of businesses. Many of the businesses indicated their space needs would increase over the next year but there was a lack of available space for expansion in the City. This was a particular issue for the High Tech and Industrial sectors.

## Next Steps

There will continue to be interviews with businesses and there is an opportunity to focus on sectors such as high tech, industry and neighbourhood commercial.

Once the interim results have been presented to City Council the organizations that have been involved in the program including; the Downtown Victoria Business Association, Chamber of Commerce, Tourism Victoria, ViaTec and the Victoria Real Estate Board will be presented with the BusinessCARE results. There is also the opportunity for other organizations such as BOMA and UDI to be involved.

The objective of these presentations is to establish how Council and various organizations can address the issues identified in this report. There will be a need to coordinate existing information and expertise and develop strategies that address issues such as marketing, transportation, telecommunications, employee availability, training, business locations, and local government support.

## Introduction

The BusinessCARE Victoria Program has been underway since October 1999. The initiative for the program originated with the Victoria Economic Development Strategy that was undertaken in 1998. The Economic Development Strategy recognized that there were a variety of organizations providing excellent support to businesses but that there was a need to coordinate the delivery of the services. There was also a need to develop a culture of support for businesses within the City of Victoria. The Action Plan that formed part of the Economic Development Strategy recommended the development of a business retention and expansion strategy as one method of responding to these needs.

## What is BusinessCARE?

BusinessCARE is a business retention and expansion program that was developed by BC Hydro. This program helps communities understand the issues and opportunities facing their businesses as well as identifying the actions necessary to help businesses survive and thrive. There are approximately 7500 to 8000 businesses in the City of Victoria. The majority are small businesses with less than 20 employees. Most of these businesses do not have the resources to allow them to improve and expand.

### Benefits of the program include:

- Retaining jobs and creating new employment in the City
- Heightens businesses awareness of existing assistance and resources
- Identifies businesses at risk of leaving the community or closing
- Builds cooperation among local government, economic development agencies and other business service providers.
- Demonstrates the community's commitment to local businesses
- Builds a positive business climate, which makes Victoria an attractive destination for new businesses.

## Who is involved in BusinessCARE?

### Partners

The partners in the program include the City of Victoria, BC Hydro, the Downtown Victoria Business Association and Human Resources Development Canada. Their role is to provide overall direction and to ensure that the program deliverables are being met.

The in the **City of Victoria Economic Development Division** manages the BusinessCARE Victoria Program and coordinates the activities of the resource teams. In addition staff arrange and conduct interviews and manage a response database. Staff also deal with requests for information and "red flag" issues that result from interviews. The program emphasis is on quick response to all businesses where there are immediate issues.

**BC Hydro** is coordinating the development of this as a pilot program. The City of Nanaimo and Chilliwack Economic Partners are also undertaking similar programs. BC Hydro will be using the experience of the three communities to develop a business retention and expansion model program that can be used in other communities in BC.

The **Downtown Victoria Business Association** provides additional support through its 5 Star Welcome Program which conducts visitations with downtown businesses.

**Human Resources Development Canada** provides resources based on specific program deliverables that were agreed upon by all partners, these include:

- Facilitate business expansion that will create 10 incremental jobs.
- Intervene and assist 5 or more businesses to retain 20 or more jobs in the City where these businesses were threatened with closure or movement from Greater Victoria.
- Undertake activities to improve business satisfaction that will reflect a 10% increase in the Victoria Business Improvement survey.
- Undertake activities that will decrease downtown vacancies that will reflect a decrease of 1% in the vacancy rate.
- Visit at least 900 business in the course of undertaking the above activities while also disseminating information on programs available to assist businesses expand.
- Undertake a 'BusinessCARE' survey, analyze and share results with stakeholders.

## Resource Teams

The BusinessCARE Program provides an opportunity to bring together resources in the community in order to cooperatively respond to business needs. Instrumental to the success of the program was the creation of an External Team comprised of business support organizations and an Internal Team comprised of senior managers from key departments.

The role of the **External Team** is to provide input and direction regarding issues that arise from the interviews. Their expertise and knowledge also provides an important context for the responses from businesses. Members of the External Team include representatives from the following:

- Business Victoria
- Chamber of Commerce
- Downtown Victoria Business Association
- Human Resources Development Canada
- Ministry of Social Development and Economic Security
- Tourism Victoria
- VIATeC
- Victoria Real Estate Board

The role of the **Internal Team** is to provide coordinated support to issues that concern City Hall. If a business requires information or assistance the Internal Team serves as a point of contact. Members of the Internal Team include representatives from the following City departments:

- Civic Services
- Streets
- Transportation and Development
- Bylaw Enforcement
- Financial Services
- Information Technology
- Community Development

## The Interview

BusinessCARE begins with an interview of local business people as a way to get comprehensive information on their needs, opportunities and problems. Using this information the External and Internal teams work to develop immediate solutions and long-term strategies to help businesses stay and grow. The interview also provides an opportunity to establish personal contacts within the business community and make them aware of the support that is available.

## Business Sectors

To date (*October 1999 to December 2000*) a total of 581 business interviews have been conducted including visitations under the 5 Star Welcome Program operated by the Downtown Victoria Business Association. The interviews take approximately 1 hour to complete and are done at the business location. The interviews have focused on the following sectors:

**Business Services:** **123 businesses – approx. 1200 employees**

- Architects & Planners
- Financial Services
- Employment & Training Services
- Printing & Publishing
- Parking & Transportation Providers
- Commercial Realtors

**Industrial & Manufacturing:** **58 businesses – approx. 800 employees**

- Automotive Repair
- Electronics Manufacturing
- Marine Industrial
- Metal Fabricating
- Wood Working & Carpentry

**High Tech:** **33 businesses – approx. 300 employees**

- Computer Education
- Software Design & Manufacturing
- E Commerce
- Internet Marketing

**Retail:** **211 businesses – approx. 1500 employees**

- Automotive Sales
- Downtown Retail
- Major Shopping Centres
- Personal Services

**Tourism** **140 businesses – approx. 3000 employees**

- Accommodations
- Attractions
- Food & Beverage Services
- Transportation

**Total:** **581 businesses – approx. 6800 employees**

## **Interview Components**

The interview focuses on five particular aspects of a business. The interview has been divided into five sections to reflect the major issues that businesses are involved with on a day to day basis. The intention of the questions is to obtain qualitative information that will help the BusinessCARE Coordinators better understand business concerns and determine the most appropriate action for solving problems. The interview focuses on the following five sections:

### **Access to Markets**

These questions provide an indication of markets that a business currently serves or is intending to expand to. These questions also provide an indication of the importance or any issues regarding transportation (e.g. ferry, courier, car) and telecommunications (internet service, web sites, e-commerce).

### **Local Skills & Expertise**

These questions are intended to provide an indication of whether businesses are able to find people with the skills and expertise they need, provide an indication of training needs and determine if required training can be met locally.

### **Real Estate**

These questions provide an indication of the major location criteria and availability of suitable business sites. This section also identifies issues being experienced in the current business location.

### **Finance**

These questions provide an indication of the financing needs of a business and provides their input regarding the local availability of financing.

### **Local Government**

The intention of these questions is to gain an understanding of the types of interactions businesses have with local government and the impact these interactions have had on the business. In addition, this section is used to measure businesses satisfaction level of city services.

## **Database**

Working in cooperation with BC Hydro, the City of Nanaimo and the Chilliwack Economic Partners group the City of Victoria is contributing to the creation of a business issues tracking database. This database will allow for tracking short term and long term business issues, statistical reports, custom reports for specific issues, i.e. transportation or business location needs and the ability to generate business data for a wide variety of issues that are raised in business interviews.

## Summary of Immediate Actions

The interviews have generated a number of opportunities to assist businesses. They are generally requests for assistance with an issue that is indirectly affecting their business or an issue that has a direct, major impact on their business (red flags). There are also a number of requests for additional information regarding information available through the City or referral to information that is provided by one of the External Team representatives. To date over 325 businesses and individuals have been responded to.

### Red Flags

'Red flags' have urgency and require immediate response.

- Interviews generated 7 'red flags'. The Internal Team has assisted in resolving these issues to the satisfaction of the businesses.
- An additional 7 'red flags' were received from businesses that contacted the Economic Development Office. The Internal Team has assisted three of the businesses to resolve the problem. One of the red flags is ongoing and is being assisted by the Business CARE team. There has been no further contact from the other businesses for various reasons.

### Assistance

Requests for assistance with specific development proposals or advocating on behalf of a business within City Hall are two of the primary ways businesses are being helped by Economic Development staff.

- Interviews generated 25 requests for assistance, which have been referred to the Internal Team or the BusinessCARE Coordinators. Business assistance was provided with street parking issues, signage issues, pruning and maintenance of street planting, graffiti removal, addition of loading zones and downtown safety.
- An additional 58 requests were generated by businesses that contacted the Economic Development Office. These have been referred to the Internal Team or have been dealt with by the BusinessCARE Coordinators. Requests typically were regarding business relocation and space needs or City Hall process.

### Requests for Information

Requests for information are answered by the Economic Development Office or forwarded to the appropriated City department or other agencies for a response.

- Interviews generated 27 requests for information. Typical requests included questions regarding permit and inspection processes, parking issues, requests for loading zones, contact information for social agencies, signage regulations and City land queries.
- Between October 1999 and December 2000 over 200 information requests were generated by businesses that contacted the Economic Development Office. The majority of these requests came via email from the Economic Development web site. A small number came via the telephone. Requests covered a broad range of subjects but most commonly people wanted to know about locating a business in Victoria, statistical information, i.e. demographics, business statistics, business licensing procedures, local infrastructure and cost benefits of locating in Victoria. Generally each request requires 20 to 30 minutes of research by the Economic Development Office.

## Next Steps

Once the interim report regarding BusinessCARE interviews has been presented to City Departments and City Council it will then be presented to the organizations represented on the External Team and to other organizations that may benefit from the information (e.g. BOMA, UDI). This process is expected to extend to Spring 2001. The report will also be forwarded to all of the businesses that have been interviewed.

Following the presentation of the interim results, actions and strategies will need to be determined. This is a critical component of the BusinessCARE Program and is dependent on local government and business organizations working together to determine how they can address specific issues that have been raised in the interviews.

## Access to Markets

### Introduction

These questions provide an indication of markets that a business currently serves or is intending to expand into. These questions also provide an indication of the importance of issues regarding transportation (e.g. ferry, courier, air travel) and telecommunications (web page, e-commerce).

### Markets & Sales

#### 1. Which markets do you currently serve?

- In the **Business Service**, **Industrial** and **Retail** sectors the majority of businesses interviewed serve *local* or *regional* markets. A small number of **Retail** businesses are serving international markets, primarily through e-commerce initiatives.
- Businesses interviewed in the **High Tech** sector serve *local*, *regional*, *provincial*, *national* and *international* markets.
- The **Tourism** sector stated they serve a mixture of *local*, *regional*, *provincial* and *international* markets with an emphasis on the *provincial*, *national* and *international* markets.

#### 2. Over the next year will sales volume *rise*, *decline* or *stay the same*?

- In the **Business Service** sector the majority of businesses interviewed expected sales volumes to *rise*. This was attributed to improving economy, increased customer demand and expanding markets but stated that there would only be a significant change with a change in government.
- In the **Industrial** sector slightly more than half the businesses expected sales volumes to *rise*. The major reasons were improving economy, expanding markets and increased market share. Some of the businesses interviewed did not expect sales to increase because of the poor economy.
- All the businesses interviewed in the **High Tech** sector expect sales to *rise*. Major reasons included rapid growth of the industry, development of technology and promotion or increased exposure of their business.
- The majority of **Retail** businesses are beginning to see sales volumes rise again after slow growth in the last year but some are still experiencing slow growth in sales. Business owners are attributing slow growth to several factors including: freight costs, rise in minimum wage, low tourism numbers and consumers' lack of confidence in the provincial economy.
- **Tourism** businesses anticipate slow growth in 2001 after a flat year in 2000. Businesses attribute the slow growth to the loss of several flights into the Victoria airport and the threat of BC Ferry strikes.

### 3. Are there any markets that you do not serve now that you would like to serve?

- About half the **Business Service** businesses indicated an interest in expanding into international markets, primarily the US. Major obstacles included the cost of travel, lack of knowledge regarding foreign markets and competition from other businesses.
- Some of the **Industrial** businesses indicated an interest in expanding into new markets including the US and Asia. Major obstacles included a lack of knowledge regarding foreign markets and competition in the US market.
- The majority of **High Tech** businesses indicated an interest in expanding into new markets including Asia and Europe. Major obstacles include a lack of capital and competition from larger companies. It should be noted that the majority of High Tech companies in Victoria have less than 10 employees.
- The **Retail** sector stated that they would like to continue to expand in the local market but really had no plans to expand beyond Victoria. Some retail businesses did state that they would like to expand some of their sales and marketing via the Internet.
- The majority of **Tourism** businesses are serving their desired markets and stated that Tourism Victoria markets internationally which helps to attract hotel's clientele.

## Transportation

Businesses were asked to rate the importance of transportation issues on the following scale:  
*not important – mildly important – moderately important – very important*

### 4. How important is transportation to your business?

- **Business Service, Industrial, High Tech, Retail** and **Tourism** businesses all indicated that transportation was *very important* to the success of their business.

### 5. Are there any transportation issues?

- Businesses in all the sectors mentioned the importance of not having interruptions in ferry service because of the impact on the delivery of goods and materials.
- Businesses in all the sectors mentioned the importance of a reliable BC Ferries system, adequate loading zones, on street parking, parking enforcement, advanced notice regarding road maintenance and road closures.
- Businesses in the **Business Service** sector mentioned the importance of maintaining the air service to Vancouver as an alternative to the ferry.
- Businesses in the **Industrial** sector mentioned the increased cost of shipping to Vancouver Island and the level of traffic congestion, which impedes delivery trucks.

- Some businesses in the **High Tech** sector mentioned the need for improved air service to the US, primarily Seattle. Also mentioned was the lack of parking downtown and issues regarding parking enforcement.
- **Retail** businesses are concerned about the impact of BC Ferries labour issues, the rising cost of gasoline, rising freight costs and parking policies that affects staff and customers.
- Businesses in the **Tourism** sector stated the importance of a reliable BC Ferry system, the need for more direct flights in and out of the Victoria International Airport and a reliable and sustainable inner harbour ferry link to and from Seattle.

## Telecommunications

Businesses were asked to rate the importance of telecommunications issues on the following scale:  
*not important – mildly important – moderately important – very important*

### 6. How important are telecommunication services to your business?

- The majority of the **Business Service** sector rated telecommunication as *very important*.
- The majority of the **Industrial** sector rated telecommunications as *mildly to moderately important*.
- The entire **High Tech** sector rated telecommunications as *very important*.
- The **Retail** sector rated telecommunication as *mildly important*. Most of the retail businesses have web sites and use them for promoting their products and services. E-commerce was not seen to be as important and there were concerns regarding cost effectiveness.
- The **Tourism** sector rated telecommunications as *moderately to very important*.

### 7. Are there any telecommunication or Internet issues?

- **Business Service** and **Industrial** sectors indicated a limited use for e-commerce (factors included cost, not appropriate for type of business)
- **Business Service** and **High Tech** indicated some concerns with the level of service from Internet service providers i.e. interruption of service during business hours, slow response to problems.
- The **Retail** sector stated they had no major concerns with telecommunications and a small number of companies stated that they were using e-commerce or considering the use of e-commerce to expand their customer base.
- **Tourism** businesses stated they had no major issues with telecommunications services. The majority of these businesses have been using the Internet successfully for several years, their online activities range from hotel bookings to marketing and promotions.

## Local Skills and Training

### Introduction

These questions are intended to provide an indication of whether businesses are able to find people with the skills and expertise they need, provide an indication of training needs and determine if required training can be met locally. Businesses were asked to rate issues on the following scale:

*poor – average – good – excellent*

### Staffing Needs

1. Over the next year will the number of employee's working in your business *increase, decrease or stay the same?*

- **Business Service** and **Retail** sectors indicated a split between *increase* and *stay the same*. For businesses that stated number of employees would *stay the same* primary reasons were the rise in minimum wage which the business owners felt was a deterrent (raises payroll costs) and lack of appropriately trained individuals.
- The majority of **Industrial** sector businesses indicated they expected the number of employees to *increase*.
- All the respondents in the **High Tech** sector indicated a need to *increase* the number of employees although they anticipate it will be difficult to find the skilled employees they need.
- The majority of **Tourism** sector businesses stated they would like to *increase* the number of employees but that business expansion is reliant on the tourism market which can be unpredictable. Most businesses interviewed stated they would maintain current staff levels and only increase if there were an increase in the number of visitors to Victoria.

2. Do you have a high turnover of staff?

- **Business Service, High Tech** and **Industrial** sectors all indicated a low turnover in staff.
- The **Retail** sector indicated some staff turnover but generally the turnover was limited to specific positions i.e. front reception and entry level positions.

## Employee Availability

- The **Business Service** sector rated availability as *poor to average*. There was some indication in the Business Service sector that businesses would not be increasing the number of employees because of difficulty finding qualified people. Issues also included difficulty of attracting employees to Victoria and losing people to the High Tech sector.
- The **Industrial** sector rated availability from *poor to average*. Issues included finding skilled technicians (machinists, woodworkers, and mechanics). Difficulty finding employees was also a factor in limiting expansion possibilities.
- **High Tech** rated the current availability from *good to excellent* but stated they anticipate it will get more difficult to find people with the necessary combination of computer and other related technical skills. Businesses also stated the difficulty in competing with other major Canadian and US cities.
- The **Retail** sector rated availability from *average to good*. The key requirement is to find employees with good customer service skills and a positive attitude.
- **Tourism** rated the availability of employees as *good to excellent* except for a few positions that have been difficult to fill, i.e. upper and middle hotel management.

## Training

### 3. How would you rate the local availability of training?

- The **Business Service** sector rated availability of local training as *average*. Training tends to provide only the basic skills, more advanced training is not available in Victoria. There is a reliance on in-house training in interpersonal skills. Almost all professional certification courses were done outside Victoria.
- The **Industrial** sector rated the availability of local training as *poor*. There is good availability of training for basic skills but training for specific skills is provided in-house or is accessed through institutions outside Victoria.
- The **High Tech** sector rated the availability of local training as ranging from *average to good*. Local training was either not available or not current. Most of the businesses relied on in-house training. Local training that was provided was seen to provide good basic skills but was not able to keep up to date with industry growth and advancement.
- The **Retail** sector rated availability of local training as *average*. The majority of retail businesses used in-house training or industry association training that was generally offered outside of Victoria. Many of the businesses do access local computer training and customer service training.
- **Tourism** businesses rated the availability of training as *good*. The majority of training is offered in-house or through tourism industry groups.

### Introduction

These questions provide an indication of the **major** location criteria and availability of suitable business sites. This section also identifies issues being experienced in the current business locations.

### Location Needs

**1. Do you think your business will be in the same location one year from now?**

- Very few of the businesses interviewed in all the sectors indicated plans to relocate.

**2. What two or three aspects of a business location are most important to you?**

**Business Service**

- Proximity to downtown
- Sufficient parking on site or in vicinity
- Adequate space at affordable price.

**Industrial**

- Available industrial land
- Water access (barges)
- Proximity to downtown (customers and suppliers)

**High Tech**

- Location in an area with an image
- Availability of infrastructure (fibre optics)
- Clustering of like businesses
- Proximity to float plane service

**Retail**

- Available parking (on site and in vicinity)
- Proximity to downtown
- Location with high visibility

**Tourism**

- Close to downtown
- Close to tourists
- Near the Inner Harbour
- Access to transportation links

### 3. How satisfied are you with the availability of business locations?

Businesses were asked to rate their satisfaction of business location availability on the following scale:  
*not satisfied – mildly satisfied – moderately satisfied – very satisfied*

- **Business Service** sector indicated *moderately to extremely satisfied* with business locations
- **Industrial** sector indicated *not to mildly satisfied* with the availability of business locations.
- **High Tech** sector indicated *mildly to moderately satisfied* with business locations.
- **Major Retail** sector indicated *mildly satisfied*.
- **Tourism** stated they were *moderately satisfied*.

### 4. Do you think you will need more or less space one year from now?

- **Business Service, Industrial, Retail and Tourism** all indicated either space needs would *increase* or *stay the same*.
- The **High Tech** sector indicated space needs would *increase*.

### 5. Are there any other problems with your business location?

#### **Business Service**

Slightly less than half of businesses identified problems with their current location:

- Lack of on street and off street parking
- Vandalism, graffiti, drug use.
- Safety at night downtown
- Street people
- Parking enforcement

#### **Industrial**

Most of the Industrial businesses had problems with their current location:

- Lack of employee and customer parking
- Lack of land for business expansion
- High cost of operating in City (lease rates, taxes)
- Parking enforcement

#### **High Tech**

Primary issues mentioned by High Tech businesses include:

- Difficult finding suitable space downtown
- Lack of suitable locations for expansion
- Lack of parking for employees

## **Retail**

The majority of Retail businesses were satisfied with their location but many were concerned about the activities on the street outside their businesses:

- Graffiti
- Panhandling and "street camping"
- IV drug use and drug selling
- Parking enforcement

## **Tourism**

Issues mentioned by Tourism businesses include:

- Need for more downtown attractions
- Downtown street safety
- Panhandling and graffiti

### Introduction

These questions provide an indication of the financing needs of a business and provides their input regarding the local availability of financing.

**1. In the next year, are your financing needs going to *increase, decrease or remain the same*?**

- **Business Service, High Tech** and **Retail** expected financing needs to *increase*.
- In the **Industrial** sector businesses were split between *increase* and *remain the same*.
- Financing was not a major issue for the **Tourism** sector.

**2. How would you rate the local availability of financing?**

Businesses were asked to rate the availability of financing using the following scale:  
*poor – average – good – excellent*

- **Business Service** and **Retail** sectors indicated financing was not an issue – they either were self-financing or used a line of credit.
- Approximately half the businesses in the **Industrial** sector rated availability as *good* to *excellent*. These businesses tended to rely on a line of credit or did not have immediate financing needs. The other half of businesses interviewed rated availability as *poor* to *average*. These businesses tended to have increased financing needs but experienced problems securing financing because the business was fairly new or the land was potentially contaminated.
- The majority of the **High Tech** sector rated availability as *good* to *excellent*. Businesses that rated availability as *poor* to *average* indicated problems regarding lack of support from banks for “.com's” and the need to go off island for financing. Businesses stated the unwillingness of banks to support or buy into “intellectual property”.
- The **Tourism** sector did not rate financing as a major issue. Availability of financing was rated as *good* to *excellent*.

### Introduction

These questions provide an indication of the interaction businesses have with local government and any issues they may have.

#### 1. Are you working with any city departments that affect your business or expansion plans?

- The **High Tech** sector did not indicate they dealt with City Hall on a regular basis.
- **Business Service, Industrial and Retail** sectors indicated some concerns regarding City Hall approval process and parking enforcement.
- The majority of the **Tourism** sector had few issues with City Hall. Issues that were mentioned were directed at parking enforcement and permit and inspection processes.

#### 2. How supportive of business is the local government?

Businesses were asked to rate the level of support for local business by government on the following scale: *not supportive – mildly supportive – moderately supportive – very supportive*

Generally there was strong support for the BusinessCARE Program. For many businesses outside downtown it was the first time they had been contacted by a business retention program. Many of the businesses were encouraged that City Hall was taking an active role in supporting the business community.

- The majority of **Business Service** businesses rated local government as *moderately supportive*. Reasons included improvement in responses by City staff and accessibility to City Council.
- The businesses that rated local government as *not supportive* to *mildly supportive* indicated that City Hall needs to demonstrate its support by actively encouraging businesses and responding to their issues such as City Hall approval process and downtown parking.
- Approximately one half of the **Industrial** sector businesses indicated local government as *moderately* to *very supportive*. Reasons included City support for industrial uses on the harbour.
- The remaining industrial businesses did not have sufficient interaction with local government to comment or indicated City Hall was *Not to Somewhat Supportive*. Reasons included the impact of street works, City approval process and regulations.
- Most of the **High Tech** businesses stated they do not deal with local government and did not comment. The High Tech businesses that did respond indicated local government as being *mildly* to *moderately supportive*.
- The majority of the **Retail** sector indicated local government is *moderately supportive*. Business appreciated the City's downtown beautification programs. There was frustration expressed by some businesses regarding the lack of action in dealing with downtown street issues including panhandling and parking.

- The **Tourism** sector indicated they felt *moderately supported* by local government. Businesses stated the need for the City to take a leadership role in the development of new attractions and entertainment facilities downtown.

## Final Questions

### Introduction

These questions provide an indication of the local business climate.

### Barriers to Growth

1. Are there any barriers to growth other than the ones we have talked about?

- Comments were received from the **Business Service** sector regarding the need for municipal amalgamation (problem with inconsistent processes and regulations, lack of regional economic development plan). Also Victoria is a comparatively small market, difficult to grow unless there is investment from outside the region. The general perception of a poor Provincial economy was mentioned consistently.
- The majority of comments from the **Industrial** sector were targeted at the Provincial government. Specifically, the perception that the government is not supportive and is excessively regulatory.
- **High Tech** businesses stated they had difficulty accessing financing and also stated the need to increase the marketing of local high tech companies.
- **Retail** businesses are concerned about the downtown social issues and stated that they feel tourism is one of our main assets which should be protected. The majority of retail businesses also stated that they are concerned with lack of support from the Provincial Government. Taxes and increased minimum wage costs were specific issues that were mentioned.
- **Tourism** businesses stated that if the barriers they face improved it would benefit all business sectors in Victoria. Tourism businesses stated there is a need for a larger conference facility, this would help to fill more hotel rooms. Disruption or decreases in transportation services (including BC Ferries and flights from the Victoria airport) are barriers and high taxation from all levels of government was the final major barrier mentioned.

### Local Business Climate

1. Over the past year would you say the local business climate has *improved, worsened or stayed the same*?
- The **Business Service** sector was split between *worsened, stayed the same and improved*.
  - A slight majority of **Industrial** sector businesses indicated the business climate has *improved*. Business that indicated the business climate had *stayed the same or worsened* mentioned Provincial government, taxes or issues specific to their business.

- The majority of **High Tech** sector businesses indicated business climate *stayed the same*.
- The **Retail** sector indicated the business climate had *stayed the same*.
- The **Tourism** sector indicated the business climate had *worsened or stayed the same*.

## 2. How would you rate this community as a place to do business?

Businesses were asked to rate Victoria as a place to do business on the following scale:

*poor – average – good – excellent*

- The majority of the **Business Service** sector rated this community as *good to excellent*. The quality of life was a significant factor that mitigated general concerns about the economy.
- The **High Tech** sector rated the community as *average to good*. Some concerns about the need to market high tech more aggressively. Quality of life was also mentioned as an important factor.
- The majority of the **Industrial** sector rated this community as *good*. The quality of life was mentioned as the main reason.
- The majority of the **Retail** sector indicated Victoria is a *good* place to do business. Downtown continues to be a major attraction for shoppers.
- The **Tourism** sector rated Victoria as an *average to good* place to do business. The natural beauty and quality of life were mentioned consistently as main factors that make Victoria an attractive place to operate a business.

